



MINUTES
Economic Development Authority
December 17, 2019

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:30 pm.

Present: Chair: Jahn Dyvik; Vice Chair: Lori Goodsell; Board: Tim Hultmann, Tom Skjaret, Deirdre Kvale, and Charlie Miner

Staff Present: City Administrator/Executive Director: Scott Weske; City Clerk: Jeanette Moeller; City Attorney John Thames

Absent: Board: Michelle Jerde (with prior notice)

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

A motion was made by Miner, seconded by Skjaret, to approve the agenda. Ayes: all.

CONSENT AGENDA

- A. Approve Minutes of November 21, 2019 EDA Meeting

A motion was made by Skjaret, seconded by Miner, to approve the Consent Agenda as presented. Ayes: all.

OPEN CORRESPONDENCE

None.

BUSINESS ITEMS

Recommendation to City Council Regarding Reappointment of EDA Member Lori Goodsell

Executive Director Scott Weske explained that Board member Goodsell has indicated that she is interested in being reappointed to serve on the EDA.

A motion was made by Skjaret, seconded by Hultmann, to recommend the City Council reappoint Lori Goodsell, to serve as a resident-at-large member of the EDA through December 31, 2021. Ayes: all.

Continued Discussion of Potential Development of the Virginia Avenue Land

City Attorney John Thames gave an overview of the recent history with regard to potential development of the Virginia Avenue and the title encumbrance that was discovered. He stated that in light of the title issue, he was directed to cease talks with interested developer Trinity Vincent. He indicated that the process to correct the title restriction is moving along well which will allow the EDA to develop the site in future, but he does not know the timeframe.

Board member Kvale noted that the legal paperwork mentions the City of Rogers.

City Attorney Thames confirmed that the Rogers reference is a typographical error and will be corrected to refer to the City of Long Lake.

The EDA discussed the notification, serving, and publication process for potential interested parties.

City Attorney Thames stated that the City has been approached by a few developers that would like to talk about market rate developments on this site. He indicated that his impression of what the City did with the Trinity Vincent project was to simply hit the "pause" button while the title issue was addressed but explained that staff was looking for some clarity from the EDA as to how they would like to proceed.

Board member Goodsell stated that when she made the motion, her expectation was that the agreement with Trinity Vincent would be cancelled.

City Attorney Thames stated that his understanding is that the agreement with Trinity Vincent was cancelled due to the title issue. He advised that it would be fair to let them know how the City would like to move forward; for example, if the EDA is looking for a market rate development rather than senior housing, they should let the developer know. He questioned whether the EDA wants to have a conversation about what is desired in this location now or wait for everything until the title issue has been worked out.

Chair Dyvik stated that when the EDA made the 4-3 decision to open negotiations with Trinity Vincent, they were the only option on the table; however, it now appears that there may also be some market rate developments interested. He noted that in his opinion, Trinity Vincent would be welcome to come present what they would like to do along with the other potential developers, but know that the City has no obligation to them.

Board member Kvale added that although the EDA cancelled the agreement, Trinity Vincent came to the EDA with concerns of their own as well. She explained that she was under the impression that the negotiations and plans with Trinity Vincent were mutually terminated.

City Attorney Thames stated that he does not think Trinity Vincent saw it that way. He indicated that he had spoken with their representative recently and believes their understanding is that the City would deal with the title issue and then circle back to Trinity Vincent to move forward. He noted that their preference would have been to just extend the negotiation period and not cancel it. He reiterated again that everyone is just looking for clarity on how the EDA wants to move forward considering there was a 4-3 vote on this issue.

Chair Dyvik stated that there are definitely different opinions on the EDA. He commented that he would like to work with someone that will work with the City to design something that fits with the village character, and Trinity Vincent seemed pretty set on what their product was going to be.

Board member Goodsell stated that the EDA has no legal obligation to follow through with any negotiations with Trinity Vincent. She would agree that the design they proposed was not well thought out in terms of keeping with the village character and design guidelines for the City. She added that in her opinion, their plan was not the highest and best for that land and she would like to see other proposals, including whatever Trinity Vincent would like to bring to the EDA. She clarified that she is interested in seeing the land develop and she doesn't want to string it out much longer. She stated that she would like to award the property to the best project, not the first.

Board member Miner commented that he agreed and would like to take a look at other developers' proposals, but he would want to make sure the City is being fair with Trinity Vincent.

City Attorney Thames stated that the EDA should consider that for the next few months, Trinity Vincent will likely have some level of control over the surrounding properties.

Chair Dyvik stated that he does not think the EDA should wait until the title issue has been resolved and thinks interested developers should come as soon as they can to present to the Board. He noted that Trinity Vincent is welcome to be part of that group.

City Attorney Thames asked if the EDA has had a mind change about what they want in this location.

Board member Skjaret shared some statistical information about the aging population and the wisdom of providing senior housing in the City so people have the option to stay when they downsize. He stated that he did not think Trinity Vincent was unwilling to work with the City on design, but noted that the preliminary plan they presented did meet the design guidelines. He stated that he would prefer to see some options for senior housing in this location because of the aging demographics.

Chair Dyvik stated that there has already been significant growth in senior housing in the area, so he feels market rate housing may make sense in this location.

Board member Skjaret stated that if there are market rate housing units put in, there will need to be a certain number of them that are affordable.

Board member Hultmann stated that he feels Trinity Vincent needs to be part of the discussion and noted that just because they may have first opportunity does not mean that they will end up with the project. He commented that he feels the EDA has to consider the other properties on Virginia Avenue and he does not think the EDA should kick out Trinity Vincent from consideration.

Board member Kvale stated that they wouldn't be kicked out because they would be included in the process and presentations. She noted that she wants to make sure that whatever moves forward is best for the City.

Board member Goodsell asked if Board member Hultmann was simply saying that Trinity Vincent be invited to give their presentation first before the other developers.

Board member Hultmann stated that was what he was suggesting.

Board member Miner suggested that the realtor who has been working with the property owners on Virginia Avenue give an update to the EDA.

Michael Halley, Halley Land Corporation, indicated that currently eight of the nine Virginia Avenue residential properties are under contract which will expire on April 1, 2020. He commented that he is getting the impression that the EDA is more interested in pursuing a market rate housing development, but noted that he agrees with Board member Skjaret on the continuing need for senior housing, despite the facilities already in the area. He stated that he feels the EDA should hear the presentations from all the interested developers and choose what is best for the City. He noted that the goal of the eight property owners is that a decision will be made so they can move forward and not be stalled. He stated that he feels there is no reason the City cannot move forward and have these discussions while the quiet title action work is being done.

The EDA discussed the possible projects and the properties in the area.

Chair Dyvik stated that his understanding of the EDA discussion is that it be communicated that Trinity Vincent is welcome to come present their proposal to the EDA and that other developers will be invited to do the same thing.

Board member Miner suggested that the presentations may need to happen over more than one meeting because there may be time constraints.

City Attorney Thames stated that it may be helpful if the EDA would identify their constraints so the developers come in with the same kind of information. He asked if, for example, the EDA wanted renderings of the site or just for the applicants to all give their high level pitch.

Chair Dyvik noted he would like it to be made clear to Trinity Vincent that the EDA is not on a pause with the negotiations, that they are over, and if anything moves ahead it will be with a new start.

Board member Skjaret stated that he would like to see a rough rendering of height, size and placement on the lots.

Weske explained that he usually tells people to, as much as possible, come with a "fully baked" idea even if some of their numbers are not current for the presentation.

Chair Dyvik clarified that he would also like to see design examples and as much information as an applicant can come with so the EDA has a much clearer idea of what their proposed project will look like.

Board member Skjaret stated that there will also need to be a clear idea of the money side of the equation such as purchasing the vacant land, whether they will need TIF, and the amount.

The EDA discussed the possibility of getting community feedback on the various project ideas before an official public hearing process.

The EDA came to a consensus to invite presentations from developers to be made at the January 21, 2020 EDA meeting.

OTHER BUSINESS

Board member Miner asked if there was an update on the RFP process for the former BP site. Weske stated that the RFP was issued on December 2, 2019 as planned, consistent with direction given to staff.

Board member Skjaret asked if there was any action on TIF programs for the Zvago project. Zvago has not made any application for TIF. Weske stated that he has been talking to Stacie Kvilvang of Ehlers and he expects to have more conversations about the possibility of a creating a TIF district that may offer benefit to the City, sometime in January. He indicated that he will see if she is available to come to the first Council work session in January to provide a TIF presentation.

Weske noted that he had a meeting with the MCWD regarding Virginia Avenue. He stated that there may be a possibility of tying in some ponding to the development as well as grant money to help pay for it.

ADJOURN

A motion was made by Skjaret, seconded by Hultmann, to adjourn the meeting at 6:24 pm. Ayes: all.

Respectfully submitted,
Scott Weske, Executive Director